

April 28, 2000

Honorable Mayor and City Council
City of North Miami, Florida

The Comprehensive Annual Financial Report of the City of North Miami, Florida, for the fiscal year ended September 30, 1999 as required by Chapter 11.45 of the Florida Statutes, Chapter 10.550 of the Rules of the Auditor General of the State of Florida, and Section 23 of the Charter of the City of North Miami is submitted for your review.

The City's Finance Department is responsible for the content of this financial report. We believe this report represents a fair presentation of the City's financial position and the result of operations as measured by the financial activities of its various funds and account groups, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. This financial report was prepared in accordance with generally accepted accounting principles applicable to local governments as promulgated by the Governmental Accounting Standards Board.

The Comprehensive Annual Financial Report consists of four sections: introductory, financial, statistical and compliance. The introductory section contains the names of principal officials of the City, the organizational structure and highlighted financial information as contained within this letter. The financial section contains the report of the independent certified public accountants, the general purpose financial statements, and the combining and individual fund and account group financial statements and schedules. The statistical section contains multi-year data that is intended to reflect social, economic and financial trends, as well as the fiscal capacity of the City. It is hoped that this information will give users of this report a better historical perspective and assist in assessing the current financial status. The fourth section contains the required auditor's reports, including the report on internal control and compliance and the single audit reporting in accordance with OMB Circular A-133 submitted by our auditors, Rachlin Cohen & Holtz LLP.

THE REPORTING ENTITY AND ITS SERVICES

The City of North Miami was incorporated in 1926 and is a political subdivision of the State of Florida. The City operates under a council-manager form of government and provides general government, public safety, public works, sanitation, library, recreation and cultural event services to over 50,000 residents. In addition, the City operates the Water and Sewer Utility, Stormwater Utility and Solid Waste Services as enterprise activities. The Council is responsible for enacting ordinances, resolutions and regulations governing the City, as well as appointing the members of various advisory boards, the City Manager and City Attorney. The City Manager is responsible for the daily operations of the City and also for implementing policies adopted by the City Council.

The financial reporting entity (the City) includes all the funds and account groups of the primary government (i.e., the City of North Miami as legally defined), as well as all of its component units. Component units are legally separate entities for which the City of North Miami is financially accountable or the nature and significance of the relationship between the City and the entity was such that exclusion would cause the City's financial statements to be misleading or incomplete.

Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Museum of Contemporary Art, Inc. ("MoCA") (a not-for-profit corporation) is reported as a discretely presented component unit. The North Miami Health Facilities Authority is also a component unit of the City, however, because there are no assets, liabilities or results of operations to report, disclosure is made only in the footnotes.

MAJOR INITIATIVES

ECONOMIC DEVELOPMENT

The City of North Miami's primary focus related to economic growth is the redevelopment of existing commercial property and the enhancement of residential values through neighborhood revitalization. North Miami's ideal location between Fort Lauderdale and Miami and easy access to major transportation corridors, combined with a stable government responsive to the needs of the citizenry and business community, all make North Miami a desirable place in which to live and work.

The City has recently embarked on an active economic development program, which includes the following initiatives:

- The City of North Miami, and Miami-Dade County, and the property owners of the 800 block (north) launched a major facade rehabilitation program in the heart of downtown, which represents a real turning point in the area's revival. The City is currently working with the owners of the 700 block on the second phase of the program. Construction is expected to start by mid 2000.
- The City will soon start to explore with FDOT design alternatives for NE 125th Street, to make downtown's main street more inviting to pedestrians and shoppers.
- The City is exploring development alternatives for the former Hyde Park Supermarket property located on NE 125th Street in order to create a major anchor in the downtown area.

Together the above initiatives will help to strengthen a "Main Street" environment in downtown North Miami.

- The City is working with developers interested in revamping the shopping center located on Biscayne Boulevard and NE 127th Street. The proposed concept will add 100,000 sq. ft. of retail space to the center.

Being an entitlement City with metropolitan status, North Miami receives economic benefits that attach to such a designation. The City is a recipient of Community Development Block Grant (CDBG) funding, which has been used to fund a variety of exciting and needed projects ranging from "wet-tot-lots" for young children, to commercial redevelopment, and housing programs. The City is also a recipient of S.H.I.P. (State Housing Initiatives Partnership) funding, which is used for housing rehabilitation and first-time home ownership activities.

PARKS & RECREATION

The North Miami Parks and Recreation Department has been widely recognized for achievements and advancements made in expanding leisure opportunities that appeal to the entire community, including a “water play” wet-tot-lot at Gribble Pool. It is very popular with North Miami’s youngest residents, and a second facility is under construction at Sasso Pool.

The Recreation Division offers a diversified program, which includes athletics, aquatics, special programs and classes, ceramics, gymnastics, tennis, senior activities, seasonal and holiday programs, a grand Independence Day Celebration at the North Miami Athletic Stadium Complex, and the annual Winternational Thanksgiving Day Parade. The City of North Miami’s Winternational Parade float, constructed by City employees, was featured in the Orange Bowl Parade, receiving national recognition.

The Recreation Division supports numerous community events, including the Winternational Festival, the Miss North Miami Scholarship Pageant, Veteran’s and Memorial Day services, the Senior Showcase, the North Miami Community Concert Band, numerous flea markets and other community organization events.

The Parks Division is responsible for the maintenance and upkeep of all city parks and facilities, as well as the beautification and landscaping of all city parks, properties, medians and cul-de-sacs. An extensive annual urban tree planting program has resulted in the planting of over 18,000 trees on city streets and avenues. The City of North Miami has been designated for many years as one of America’s “Tree Cities”, has won the Tree City Growth Award numerous times and was the 1995 Florida Tree City of the Year. The Enchanted Forest Elaine Gordon Park, a 22-acre natural hammock facility, offers a full-time environmental program under the supervision of a Park Naturalist.

OTHER

As discussed in Note 16 to the general purpose financial statements, although no final resolution has been reached with respect to the Interama land tract (dumpsite), great progress has been made. In September 1997, the EPA’s record of decision was amended to indicate that no further remedial action was required by the City. The EPA issued a certificate of completion on June 3, 1998. On February 10, 1998, the City voluntarily executed a Consent Agreement with the Miami-Dade County Department of Environmental Resources Management (DERM) to carry out groundwater remedial measures required by Florida law and County ordinance. The Consent Agreement anticipates that the Florida Department of Environmental Protection (FDEP) will delegate to DERM oversight of the landfill closure activities in order to bring all regulatory controls under the auspices of a single agency. Pursuant to an updated cost projection, completed in 1999, the City estimates its liability toward final closure of the Interama land tract at approximately \$11.7 million. This liability is disclosed in the General Long-Term Debt Account Group. The City anticipates however, that the balance of the liability will be funded by sources of revenue outside the City. The City has entered into a grant agreement with Miami-Dade County, Florida for a twenty-year term in which the County has agreed to provide an annual grant not to exceed \$1,000,000 which commenced on October 1, 1996 and thereafter each year during the term of the agreement. Grant funds will be utilized solely to pay the cost of the remedial action and the final closure of the Munisport site, including debt service on the Capital Improvement Revenue Bonds. During 1999, the Consent Decree with EPA was dismissed and the site removed from the National Priorities List.

ACCOUNTING AND BUDGETARY CONTROLS

The City maintains extensive budgetary control to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general, special revenue, debt service, capital projects, enterprise, internal service, and the trust funds are included in the annual appropriated budget.

Control of the annual budget, adopted by the City Council, is maintained by a constant review by the Finance Director, Administration Director, Budget Administrator and City Manager with monthly financial reports being prepared for internal use at the departmental level. The budget is amended in accordance with provisions of the City Charter during the fiscal year.

City Management is responsible for establishing and maintaining a system of internal control designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The system of internal control has been designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits require estimates and judgment by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

GENERAL GOVERNMENT

The General Fund is the general operating fund of the City. General tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenses, fixed charges and capital improvement costs, not paid through other funds, are paid from this fund.

Revenues of the General Fund amounted to \$26,478,774 during fiscal year 1999, an increase of 5.8% from the previous fiscal year. Tax revenues are a combination of ad valorem property taxes, sales and use taxes, utility service taxes and franchise fees. Property taxes produced approximately 32.0% of the General Fund revenues during the year compared to 33.7% for the previous year.

The amount of General Fund revenues from various sources, fund expenditures, and the increases and decreases over the previous year are shown in the following tabulation. As indicated, there were no significant percentage changes in annual revenue sources, from the previous year, with the exception of other revenues which in 1999 included approximately \$141,000 in additional issuers fees for private facilities bonds and \$100,000 in cable television franchise litigation proceeds.

	<u>1999</u>		<u>1998</u>		<u>Increase</u> <u>(Decrease)</u> <u>over 1998</u>	
	<u>Amount</u>	<u>Percent of</u> <u>Total</u> <u>Revenues</u>	<u>Amount</u>	<u>Percent of</u> <u>Total</u> <u>Revenues</u>	<u>Amount</u>	<u>Percent</u>
Revenues:						
Taxes	\$15,607,763	58.9%	\$14,863,794	59.4%	\$ 743,969	5.0%
Licenses and permits	828,579	3.1	837,967	3.3	(9,388)	(1.1)
Intergovernmental	5,109,111	19.3	4,719,807	18.9	389,304	8.2
Charges for services	3,846,246	14.5	3,747,788	15.0	98,458	2.6
Fines and forfeitures	240,757	1.0	270,701	1.1	(29,944)	(11.0)
Other (including interest)	<u>846,318</u>	<u>3.2</u>	<u>577,562</u>	<u>2.3</u>	<u>268,756</u>	<u>46.5</u>
	<u>\$26,478,774</u>	<u>100.0%</u>	<u>\$25,017,619</u>	<u>100.0%</u>	<u>\$1,461,155</u>	<u>5.8%</u>

The General Fund operating tax levy was 7.131 mills as compared to the 1998 millage rate of 7.236. Tax revenues increased \$743,969 in fiscal year 1999 as a result of the City aggressively pursuing collection of telecommunication utility tax revenue from service providers operating within the City's jurisdiction. Intergovernmental revenues increased \$389,304 and are inclusive of approximately \$388,000 in post - disaster (Hurricane Andrew) hazard mitigation grant proceeds.

Operating expenditures for the General Fund amounted to \$25,703,953, an increase of 6.9% over the preceding year. The expenditures for the major functions of the City are shown in the following tabulation:

	<u>1999</u>		<u>1998</u>		<u>Increase/(Decrease) Over 1998</u>	
	<u>Amount</u>	<u>Percent of Total Expenditures</u>	<u>Amount</u>	<u>Percent of Total Expenditures</u>	<u>Amount</u>	<u>Percent</u>
Expenditures:						
General government	\$ 7,342,359	28.6%	\$ 7,237,875	30.1%	\$ 104,484	1.4%
Public works	1,545,641	6.0	1,477,987	6.2	67,654	4.5
Public safety	9,503,261	37.0	8,809,452	36.7	693,809	7.9
Culture/recreation	4,112,508	16.0	4,097,994	17.0	14,514	.3
Community planning and development	1,510,152	5.9	1,407,313	5.8	102,839	7.3
Capital outlay	1,404,891	5.4	687,465	2.9	717,426	104.3
Grants/aid	<u>285,141</u>	<u>1.1</u>	<u>310,151</u>	<u>1.3</u>	<u>(25,010)</u>	<u>8.0</u>
	<u>\$25,703,953</u>	<u>100.0%</u>	<u>\$24,028,237</u>	<u>100.0%</u>	<u>\$1,675,716</u>	<u>6.9%</u>

The most significant increase was in capital outlay. In fiscal year 1999, capital outlay expenditures increased \$717,426 primarily as a result of a post-disaster (Hurricane Andrew) mitigation project for seawall repairs to public property within the City's jurisdiction. This project was budgeted at \$1,129,000 and funded in part (50%) by a FEMA Hazard Mitigation Grant. In 1999, the City recognized intergovernmental revenues and non-departmental expenditures in the amount of \$135,779 as on-behalf payments for contributions into the City of North Miami Police Officers' Retirement Pension Fund Share Plan for state insurance premium tax monies. The result of General Fund operations in 1999 generated on a budgetary basis a favorable variance of \$2,269,477 over the 1999 budgeted fund balance appropriation of \$2,125,990. This variance is attributable to capital projects that were budgeted but not completed during fiscal year 1999, reduced employee benefit expense for accumulated vacation and sick leave payouts, and increased telecommunication utility tax collections. The GAAP basis unreserved fund balance in the General Fund at September 30, 1999, totaled \$2,950,899.

In addition to the General Fund operations, the City accounts for certain other government operations within its special revenue funds. Such operations include police training and library services funded by revenues restricted to such use. The Landfill Closure Fund accounts for completion of the closure design and implementation of the plan to properly close the Munisport site. During 1999, \$1,043,432 in closure-related costs was capitalized. The Community Development Block Grant Fund established in 1994, accounts for direct entitlements from the federal government. The funds are used to provide decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income; the CDBG entitlement for 1999 was \$1,073,000. Additionally, in 1996, the City established the Local Housing Assistance Fund (SHIP) to account for state entitlement funds to be used for the creation of local housing partnerships to provide affordable housing throughout the City; the entitlement for 1999 was \$271,189. The Business Assistance Loan Fund was created to account for CDBG funds provided for the retention and expansion of business and industry in the City, and for the retention of permanent private sector job opportunities. The funds for the loans are provided from the City's CDBG entitlement. During fiscal year 1999, the Recreation Program Revolving Fund was established to account for recreation programs that are either self-sustaining or revenue producing, providing the Parks and Recreation Department flexibility in offering varied programs with funds

generated from other revenue producing programs. Other special revenue funds include the Multi-Family Rehab Loan and Energy Revolving Funds, however, no activity was generated in these funds during the year. During 1999, the City's capital project funds expended approximately \$884,467 for capital outlays. In addition to infrastructure repairs (streets and sidewalks) the capital projects in progress during 1999 included several projects funded through general obligation bonds issued by Miami-Dade County for the purpose of financing parks and recreation capital improvement projects throughout the County. These projects include renovation and development of the former North Miami Police Station into a community center, construction of a "water play" wet-tot-lot at Sasso Pool and renovation of Gribble and Sasso Pool bathhouses. The Safe Neighborhood Parks Fund was established to account for the receipt and expenditure of funds from the County's parks bond issue. The Gas Tax Transportation Fund accounts for the City's share of the imposed local gas tax to be used for the purpose of implementing transportation related capital improvements.

ENTERPRISE FUND OPERATIONS

The City's enterprise operations are comprised of three separate activities: the Water and Sewer Utility, the Solid Waste Services and the Stormwater Utility. Management believes that accounting for such operations as enterprise funds will provide more accountability and management control.

The City's Water and Sewer Utility, which operates independently from the county-wide Miami-Dade Water and Sewer Authority, services all areas within the City limits and certain districts outside the City limits. Solid Waste Services provide sanitation, recycling, and animal control services to City residents. The Stormwater Utility was established to maintain and make improvements to the City's stormwater system and to reduce pollutants from stormwater runoff.

Results for the combined enterprise operations were as follows:

	<u>1999</u>	<u>1998</u>
Operating Revenues:		
Metered water sales	\$ 5,283,519	\$ 5,282,903
Sanitary sewer services	1,426,435	1,398,977
Sewage treatment charges	8,386,819	7,952,865
Solid waste services	4,604,384	4,511,319
Stormwater charges	878,373	842,102
Other charges for services	<u>184,850</u>	<u>233,207</u>
Total operating revenues	20,764,380	20,221,373
Operating expenses	(20,003,744)	(18,775,287)
Depreciation expense	<u>(1,010,970)</u>	<u>(939,285)</u>
Operating income (loss)	(250,334)	506,801
Non-operating income (expense):		
Operating grant	103,708	126,800
Interest income	540,682	558,111
Interest expense and fiscal charges	(261,974)	(278,033)
Other	<u>46,603</u>	<u>28,201</u>
Net income before operating transfers	<u>\$ 178,685</u>	<u>\$ 941,880</u>

Each enterprise fund reported net income (loss) before operating transfers as follows:

	<u>1999</u>	<u>1998</u>
Water and Sewer Utility	\$108,772	\$915,303
Solid Waste Services	29,932	90,303
Stormwater Utility	<u>39,981</u>	<u>(63,726)</u>
Total	<u>\$178,685</u>	<u>\$941,880</u>

The Water and Sewer Utility continues efforts to become self-sustaining relative to water production with a Water Plant Expansion Feasibility Study in progress. Fiscal year 1999 expenditures include improvements to well fields in order to increase the water flow to the treatment plant. The City's goal is to reduce and potentially eliminate dependence on the Miami-Dade Water & Sewer Authority for the purchase of water by supplementing the City's water production. Efforts to reduce groundwater infiltration into the sewer system continue, a measure which assists in keeping rates low. Effective July 1, 1998, the City imposed a 25% surcharge on outside City water and sewer rates. This new surcharge generated \$538,454 in revenues in fiscal year 1999.

The Water and Sewer revenues are pledged for debt service payments on the Series 1963, 1964 and 1965 Water and Sewer Revenue Refunding and Improvement Bonds of which \$6,200,000 is outstanding at September 30, 1999. The Water and Sewer Enterprise Fund's restricted assets at the end of 1999 included approximately \$3,802,000 held in various reserve accounts for debt service on the Water and Sewer bonds.

In September 1995, the City entered into a 20 year Interlocal Agreement with Miami-Dade County for Solid Waste Disposal at a rate of \$45 per ton; this rate is to be adjusted after the third year by the CPI Index. In order to continue existing service levels in the sanitation collection, disposal, and recycling areas, during fiscal year 1999, sanitation fees increased by \$6 to \$372 annually and recycling fees increased \$2 per year to \$20. In an effort to further economize, the Public Works Department has reduced other operating costs by realigning sanitation routes and decreasing staff. These cost saving measures are expected to help reduce the deficit in this fund.

In fiscal year 1998, the Stormwater Utility became independent of Miami-Dade County. The Utility, when established, was instituted as a district of the Miami-Dade County Stormwater Utility. Due to liability concerns and related conflicts, the County requested that the Utility be administered entirely by the City and not as a district of the County's Stormwater Utility. Expenditures in this fund for fiscal year 1999 include costs associated with completion of the Stormwater Master Plan and several drainage improvement projects. As a result of programs funded in the Stormwater Utility, property owners benefit from reduced flood insurance premiums through the City's participation in the National Flood Insurance Programs Community Rating System.

RISK MANAGEMENT OPERATIONS

The City's General Liability and Workers' Compensation insurance programs are accounted for within the General Risk Management Internal Service Fund. This fund contains liability reserves, including Incurred But Not Reported (IBNR) and Allocated Loss Adjustment Expenses (ALAE) reserves, as required by the Governmental Accounting Standards Board's Statement No. 10. The various City departments are assessed a charge based upon requirements of the program. The City purchases commercial insurance coverage for law enforcement officers' and public officials' liability. The Workers' Compensation self-insurance program is administered by an outside party. Group health coverage became fully insured on January 1, 1998. Beginning in fiscal year 2000, funds remaining in the Health Insurance Trust Fund will be used to pay the costs of employee health insurance premiums as approved by City Council.

PENSION TRUST AND AGENCY FUND OPERATIONS

The City of North Miami has two Defined Benefit Pension Plans. The Clair T. Singerman (CTS Plan) Employees' Retirement System covers police officers hired before January 1, 1977, and all general employees and former North Miami firefighters. The Retirement System for Sworn Police Personnel Hired on or After January 1, 1977 (748 Plan) covers police officers hired after January 1, 1977. A separate Board of Trustees is responsible for the administration of each Plan. Two members of each Board are assigned as trustees as a result of their City positions, one member is designated by the City Manager, and the remainder is elected by the Plan membership.

During the year, the pension revenues for the CTS Plan were derived from employee contributions of \$965,777, actuarially-determined City contributions of \$240,369, State and County contributions for firefighters who elected to remain in the CTS Plan of \$319,547, and net investment earnings of \$9,766,828. The Fund's net assets at September 30, 1999, amounted to \$63,656,046. During the year, the revenues for the 748 Plan were derived from employee contributions of \$152,084, actuarially-determined City contributions of \$353,245, and net investment earnings of \$3,636,676. The Fund's net assets at September 30, 1999 amounted to \$22,076,514. On September 18, 1997, the City issued \$11,900,000 of 1997 Taxable Special Obligation Bonds for the purpose of discharging the unfunded actuarial liabilities of the CTS and 748 Plans as of October 1, 1997.

The City also offers two defined contribution pension plans. The North Miami Police Officers' Retirement Pension Fund Share Plan covers all City police officers and is funded through state insurance premium tax monies. The City of North Miami Department Managers' Pension Plan covers the City's department managers and is funded through City contributions consisting of 10% of a participant's compensation. These plans are not reported as funds of the City, but are disclosed in the notes to the financial statements as defined contribution pension plans.

The City also sponsors two deferred compensation plans which qualify under Internal Revenue Code Section 457. The Plans, previously accounted for as an agency fund, are funded by employee contributions and administered by independent fiduciary agents. These plans do not meet the fiduciary criteria found in NCGA Statement No. 1 and, accordingly, in compliance with GASB Statement No. 32 are no longer reported on the City's balance sheet.

DEBT ADMINISTRATION

As of the end of the fiscal year, the City's net general obligation bonded debt was \$4,788,000 or 39% of net assessed value. The net direct general debt per capita equaled \$96 as of year-end.

During 1999, principal and interest installments were paid as scheduled. General obligation debt principal retired during the year amounted to \$1,055,000.

In 1996, the City issued approximately \$4.5 million in Capital Improvement Revenue Bonds to fund a portion of the cost of the Superfund Remedy and the final closure of the Munisport site. The bonds are to be repaid over a 5 year period which began in fiscal year 1997 and are payable from and secured by certain annual grant payments to be received from Miami-Dade County, Florida.

In 1997, the City issued approximately \$12 million in taxable Special Obligation Bonds for the purpose of discharging the unfunded actuarial liabilities of the City's two defined benefit pension plans as of October 1, 1997, and to pay bond issuance costs. As a result of this action, the City realized a present value savings in funding its actuarial liabilities of approximately \$1,005,000. Debt service on these bonds is funded by non-ad valorem funds budgeted and appropriated by the City on an annual basis.

CASH MANAGEMENT

The City maintains a pooled cash account for all funds excluding the Pension Trust funds. The cash management program involves a mix of maintaining principal and earnings free from risk, maintaining adequate liquidity to meet the City's obligations, and maximizing investment return through the solicitation of competitive rates from various investment sources. In 1995, the City formally adopted its written investment policy pursuant to Section 218.415, Florida Statutes.

The City has primarily invested in Certificates of Deposits (CD's) with financial institutions, collateralized as required by Florida Statutes Chapter 280 "Florida Security for Public Deposits Act". The average yields on maturing CD investments during the year ranged from 5.13% to 5.66%. The City's CD investing activities produced interest earnings for the year of \$637,576. The combined interest earnings from the City's Repurchase Agreement and from CD investments totaled \$1,194,166. Total interest earned from all sources, including assets held and managed by fiscal agents was \$1,259,467. The City's Defined Benefit Pension Plans and Defined Contribution Pension Plans manage their own funds, and are not included in the City's pooled cash system. The Pension Trust funds' investment portfolio also includes corporate stocks and bonds.

OTHER INFORMATION

Independent Audit: Florida Statutes and the City Charter require an annual audit by independent certified public accountants. The accounting firm of Rachlin Cohen & Holtz LLP has audited the general purpose financial statements of the City for the year ended September 30, 1999. The opinion of the independent certified public accountants on the general purpose financial statements, and an in-relation to opinion on the combining and individual fund and account group statements and schedules, is included in the financial section of this report.

Certificate of Achievement Program: The Government Finance Officers Association (GFOA) awarded the City its tenth consecutive Certificate of Achievement for Excellence in Financial Reporting to the City of North Miami for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 1998. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the September 30, 1999, Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments: The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated services of the Finance Department. Each member of the Department has our sincere appreciation for the contributions made in the preparation of this report. We also would like to express our appreciation to our independent certified public accountants, Rachlin Cohen & Holtz LLP, for their cooperation and assistance.

The guidance and cooperation of the City Council in planning and conducting the financial affairs of the City of North Miami are gratefully appreciated.

Sincerely,

Lee R. Feldman
City Manager

Carlos M. Perez
Finance Director